

**IN THE UNITED STATES DISTRICT COURT  
FOR THE DISTRICT OF DELAWARE**

ARLIN M. ADAMS, Chapter 11 Trustee of the	:	
Post-Confirmation Bankruptcy Estates of	:	
CORAM HEALTHCARE CORPORATION	:	Case No. 04-1565-SLR
and CORAM, INC.,	:	
Plaintiff,	:	
	:	
v.	:	

DANIEL D. CROWLEY; DONALD J.  
AMARAL; WILLIAM J. CASEY; L. PETER  
SMITH; AND SANDRA L. SMOLEY,

Defendants.

---

**STIPULATION AND ORDER ENTERING  
JUDGMENT AGAINST OUTSIDE DIRECTORS**

---

Plaintiff, Arlin M. Adams, Chapter 11 Trustee (the "Trustee") of the bankruptcy estates of Coram Healthcare Corporation and Coram, Inc. (collectively "Coram") and Defendants Donald J. Amaral, William J. Casey, L. Peter Smith and Sandra L. Smoley (collectively "the Outside Directors"), hereby stipulate and jointly move for the entry of a final judgment in favor of the Trustee and against the Outside Directors, as follows:

WHEREAS, on December 29, 2004, the Trustee commenced this action; and

WHEREAS, on or about April 5, 2006, the Trustee and the Outside Directors made and entered into a Settlement Agreement resolving any and all disputes that have been raised or could have been raised in this matter, subject to approval by the United States

Bankruptcy Court for the District of Delaware in Coram's Chapter 11 proceeding (the "Settlement Agreement"); and

WHEREAS, by Order dated April 24, 2006, the United States Bankruptcy Court for the District of Delaware entered an Order approving the Settlement Agreement and found the Settlement Agreement reasonable; and

WHEREAS, the Settlement Agreement provides, *inter alia*, that the Outside Directors shall consent to the entry of judgment against them, jointly, severally, and in the alternative, and in favor of the Trustee in the amount of \$9,550,000; and

WHEREAS, the Settlement Agreement further provides, *inter alia*, that the Outside Directors assign to the Trustee all of their rights and any and all causes of action any or all of them may have arising out of, or under, any of the directors' and officers' liability insurance policies obtained by Coram for their benefit, including but not limited to the primary policy issued by Genesis (Policy No. YXB001625A), for the period January 8, 1999 through January 27, 2001 (the "D&O Policy"), and any further causes of action based on the handling of the Outside Directors' claims under such policies (collectively, the "Assigned Claims"); and

WHEREAS, the Settlement Agreement further provides, *inter alia*, that the Trustee will not seek, in connection with any such judgment entered, to execute on any assets of the Outside Directors, other than the Assigned Claims.

NOW, THEREFORE, the parties respectfully request that this Court enter the following Order:

1. Final judgment in the amount of \$9,550,000 shall be and hereby is entered in favor of the Trustee and against Defendants Donald J. Amaral, William J. Casey, L. Peter Smith and Sandra L. Smoley, jointly, severally and in the alternative.

2. The Trustee shall not seek, in connection with the judgment entered against the Outside Directors, to execute on any assets of the Outside Directors, other than the Assigned Claims.

**[THIS SPACE INTENTIONALLY LEFT BLANK]**

SCHNADER HARRISON SEGAL  
& LEWIS LLP

By: 

Richard A. Barkasy (#4683)  
Michael J. Barrie (#4684)  
824 Market Street Mall, Suite 1001  
Wilmington, DE 19801  
(302) 888-4554 (telephone)  
(302) 888-1696 (facsimile)

-and-

Barry E. Bressler (*pro hac vice*)  
Wilbur L. Kipnes (*pro hac vice*)  
1600 Market Street, Suite 3600  
Philadelphia, PA 19103-7286  
(215) 751-2000 (telephone)  
(215) 751-2205 (facsimile)

Counsel to Arlin M. Adams,  
Chapter 11 Trustee

Dated: May 26, 2006

**SO ORDERED**, this \_\_\_\_\_ day of \_\_\_\_\_, 2006.

POTTER ANDERSON & CORROON LLP

By: 

Peter J. Walsh, Jr. (#2437)  
1313 N. Market St.  
Hercules Plaza, 6th Flr.  
P.O. Box 951  
Wilmington, DE 19899-0951  
(302) 984-6037 (telephone)  
(302) 658-1192 (facsimile)

-and-

WILSON SONSINI GOODRICH  
& ROSATI, LLP  
Boris Feldman  
650 Page Mill Road  
Palo Alto, CA 64304-1050  
(650) 493-9300 (telephone)  
(650) 493-6811 (facsimile)

Counsel to the Outside Directors

\_\_\_\_\_  
Sue L. Robinson, U.S.D.J.